

Historical Financial Data

In order to prosper, municipalities must be keenly aware of their financial health. The Mayor, City Council, Commissions, and department heads must monitor, analyze, and respond to changing environments in order to insure their municipality's present and future viability. If local governments fail to be financially proactive, unpleasant consequences may occur.

Budgeted Municipal Property Taxes

Indicator Description

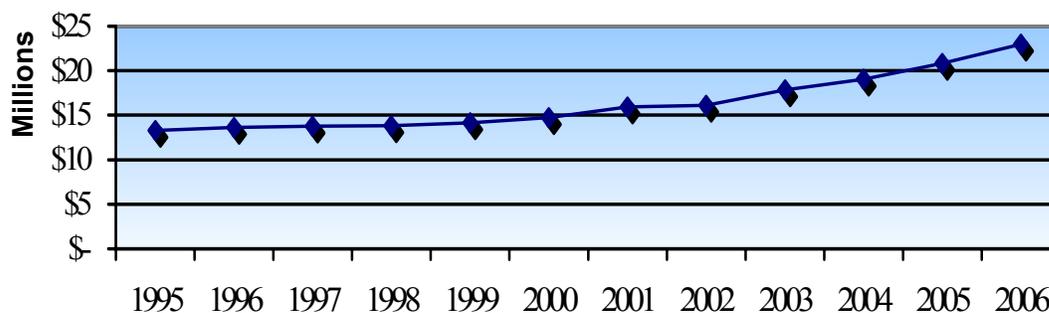
This chart presents a twelve-year history of the City's budgeted municipal property tax revenue. School property taxes are not included in this chart. The City is heavily reliant upon this revenue source, as are most other municipalities in Vermont.

Trend Analysis

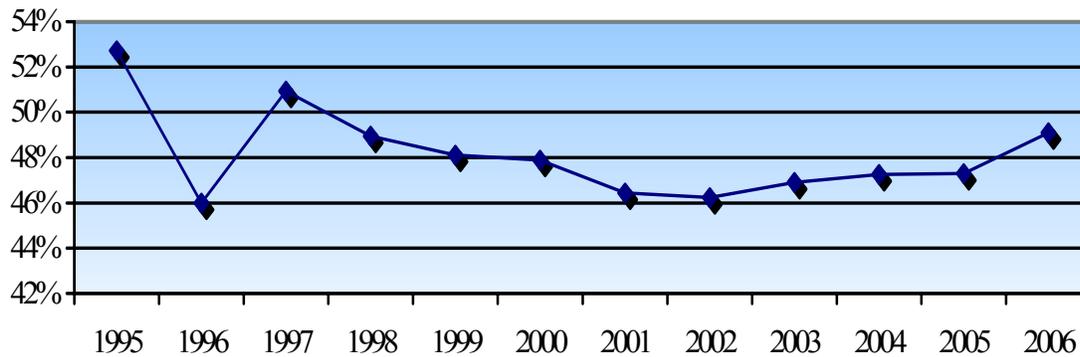
Throughout this period, growth in property tax revenue occurred at a moderate rate. There are several factors that drive the level of property tax revenue. Part of the growth is attributable to an increase in the City's Grand List that averaged 1.5 % per year during this time period. A City-wide reappraisal has provided a new

This section identifies some of the factors affecting the City's financial condition, arranging them to assist with analysis and measurement. The goal of the data presented is to provide a report based on a series of financial indicators, when plotted over time that will be used to monitor changes in financial condition with a view toward dealing with projected future problems.

baseline for the Grand List in 2006. Tax rates charged for specific purposes also drive the tax revenue level. In 2005 the municipal tax rate increased by 7cents. This increase is a combination of changes in various dedicated taxes. The most significant change is the 4 cent voter approved increase for Police, Fire, Streets, Parks and Library operations. Also increasing were 2 cents for the employee pension system and 1 cent to cover debt service payments due this year. In addition to the reappraisal in 2006, the Voters approved a dedicated tax for Open Space Conservation which amounts to .0053 .



Property Tax as a Percentage of General Fund Revenue



Indicator Description

This chart presents the history of the City’s budgeted municipal property tax revenue as a percentage of total general revenues. School property taxes are not included in this chart. The City is heavily reliant upon this revenue source, as are most other municipalities in Vermont.

Trend Analysis

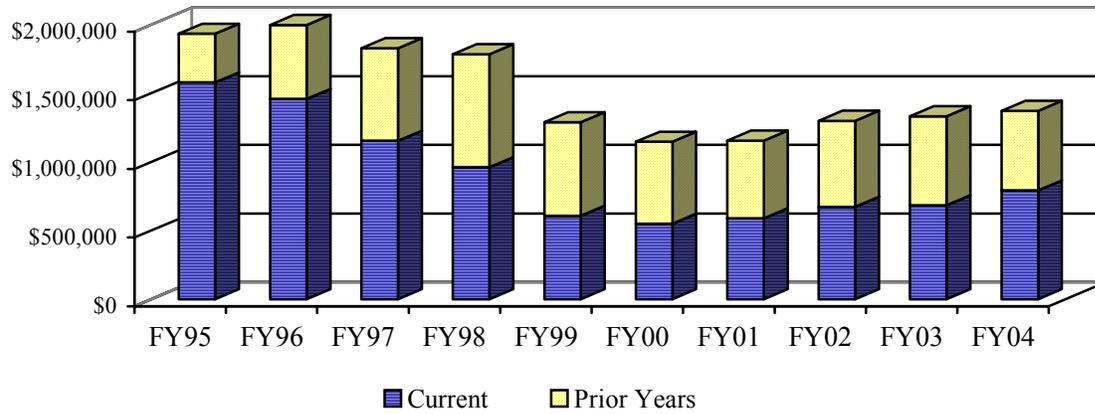
The City is heavily reliant upon this revenue source, as are most other municipalities in Vermont. Property taxes will constitute 49.1% of the General Fund revenue sources in the 2006 fiscal year budget, an

increase of 1.4% over FY 2005. This is again due mainly to the increase in the portion of the tax rate dedicated to the Pension Fund due to the general decline in the equity markets.

Since 1997, the percentage of property taxes to the total revenue sources in the General Fund has remained fairly constant from year to year. The low point was in FY 2002 (at 46.2%) when significant one-time building development fees were included as a revenue source.

To conclude, property taxes continue to be the most significant source of revenue for the General Fund.

Delinquent Taxes



Indicator Description

This chart presents a nine-year history of the level of uncollected property taxes at the end of each fiscal year. All property taxes collected by the Clerk/Treasurer’s Office are included in these amounts. Taxes not collected by 60 days after the fiscal year end are considered under modified accrual accounting standards to be deferred and are not counted as revenue by the City until collection occurs. The chart above indicates the status of delinquent taxes for both the current year’s levy and all other years.

Trend Analysis

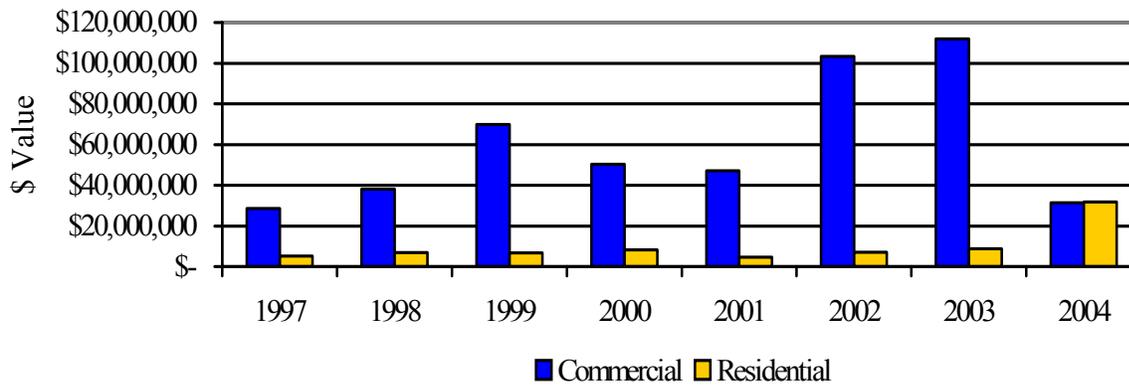
As of 1996, the level of delinquent taxes approached the \$2,000,000 level. At this time, two significant changes were made that have contributed to a significant reduction in the level of delinquency. The Clerk/Treasurer’s Office assumed the responsibility for collection of delinquencies that previously had been contracted out to a City Constable. In addition, the office started using a software program that increased

the City’s capability to follow up on unpaid accounts. As a result of this, a number of large taxpayers having delinquent outstanding balances became current thus reducing the overall level of delinquency. As of June 30, 2004, there was \$1,371,393 in outstanding delinquent taxes. This is still significantly lower than the 1996 level of overall delinquency.

The City took several further steps to continue this reduction in the level of delinquency. In November of 2000, the City began accepting payments made via automated or electronic fund transfers. In March 2001, taxpayers payments charged to credit cards were accepted. Finally, the penalty charged for making a late quarterly payment has been relaxed from 5% to 1% for seven days after the due date.

Finally, the overall level in dollars of delinquency is creeping up due to the increased in total taxes billed. In 1996, the amount of property taxes billed was \$32,753,122. That has increased to \$51,000,000 in FY 2005 and amounts to over \$55,000,000 in the FY 2006 budget.

Building Permits Issued



Indicator Description

This chart presents the past eight fiscal years activity (through 2004) in building permits as recorded by the Inspection Services Division of the Department of Public Works and Planning & Zoning. The graph indicates the level of both commercial and residential construction during this period.

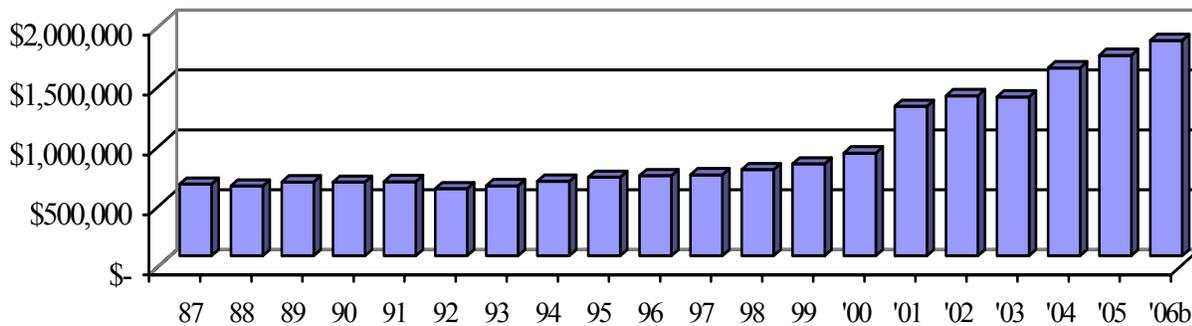
Trend Analysis

The level of increase in building activity from 1997 to 1999 was due to several large projects. The most significant of these was the expansion of the Burlington Square Mall to accommodate a 150,000 square foot Filene’s department store and an adjacent municipal parking garage. These opened for business in November 1999. Another key element of the increase during this period was the construction of the

Gateway Plaza on Battery Street, the expansion at the Union Station near the waterfront, and the Price Chopper renovation on Shelburne Street. Commercial construction was also bolstered by the additional to projected to continue to the Burlington Town Marketplace (mall) as well as the construction of the Gateway Plaza Phase II, a large office building on Main Street.

In addition, there has been a large increase in commercial construction over the past several years due to large projects at the Fletcher Allen Hospital and the University of Vermont, and the Waterfront Housing project

Gross Receipts (City Rooms & Meals) Tax History



Indicator Description

In 1986, the City Council voted to adopt a gross receipts tax of 1% on food, alcohol, admissions, and amusements, as well as a 2% tax on hotel rooms. The above graph shows the total amount collected (or budgeted) for both levels for the period of 1987 through 2003. For 2001 and the years following, a ½ % increase in the tax on food, alcohol, admissions, and amusements was added to the tax to make it be 1.5%. This change to the tax rate was passed by the City Council in May 2000.

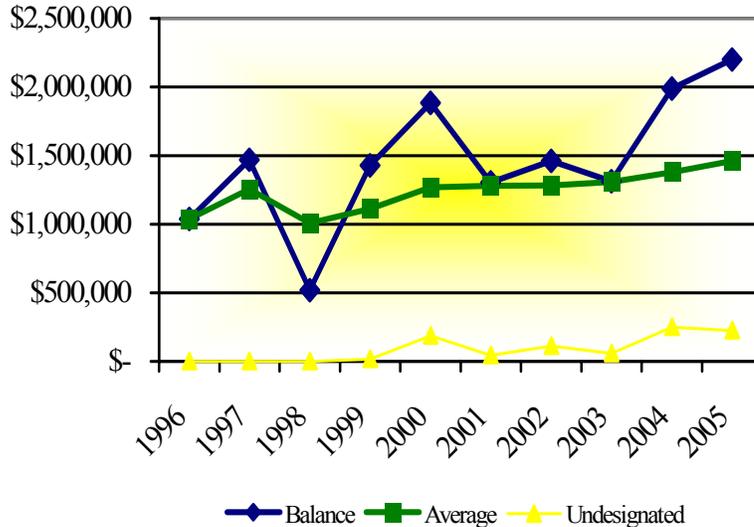
This budget includes a ½ percent increase in the fee for meals, alcohol, amusements and admissions in the FY 2004 budget. The additional funds raised will help to fund the costs of late night law enforcement as cited by the work of the Local Control Subcommittee of City Council.

Trend Analysis

During the period of 1987 through 1991, the collection rate was steady at around the \$600,000 level. In 1992, clarification was made regarding the taxability of food sales at college dormitories that caused collections to decline that year. From 1993 to 1997, the level of growth was slow, but steady averaging 3.1%. However, in the subsequent years (1998-2000), the economic climate in Burlington caused the rate of growth to increase to approximately 9% per year. The 2001 rate of growth of 31% is due to the rate increase mentioned previously in the tax on food, alcohol, admissions and amusements. The 2002 budget anticipated that \$1,175,000 would be collected but this expectation was exceeded by more than \$162,000.

In FY 2004, the amount included in the budget was \$1,570,000, with actual collections of \$1,793,406 and in FY 2005, the budget expectation increases to \$1,675,000. It is projected that collection will top \$1,800,000 in both 2005 and 2006. This reflects the continued strong level of sales anticipated by restaurants in the Church Street Marketplace section of downtown Burlington

General Fund Balance



Indicator Description

The graph shown shows the City’s ending General Fund balances since 1996 with a projection for FY 2005. Also included is a rolling average of this amount for the period. The size of the City’s fund balance is one indicator of its ability to withstand financial emergencies. It also reflects the amounts collected and reserved for specified projects for expenditure in future fiscal years. Almost all of the fund balance falls into this category. That is, there have been limited funds available for contingencies over the years.

Trend Analysis

While the fund balance experienced a temporary drop in fiscal year 1998, the total fund balance exceeded

\$1,300,000 for each of the other five accounting periods shown. The fund balance for 2004, at \$1,989,722 was the highest level during this period. This consisted of \$1,739,636 in reserved and designated funds, and \$250,086 considered as undesignated. The reserved and designated fund balances for the General Fund for FY 2004 are shown in footnote J of the Notes to the Financial Statements the Fund Financial Statement of the City’s Comprehensive Annual Financial Report.

The ending fund balance for the year ending June 30, 2005 is projected to be \$2,200,000.

Grand List History

Appraised Values	Base Year				
	<u>1995</u>	<u>2001</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Real Property	1,546,650,600	1,625,536,500	1,648,177,800	1,662,310,400	1,662,705,477
Personal Property	<u>102,397,200</u>	<u>102,432,000</u>	<u>127,368,600</u>	<u>130,148,400</u>	<u>128,795,010</u>
Total Value	<u>1,652,590,000</u>	<u>1,727,968,500</u>	<u>1,775,546,400</u>	<u>1,792,458,800</u>	<u>1,790,161,815</u>
% Increase from 1995 "Base Year"		4.8%	5.9%	8.5%	8.3%
% Increase from Previous Year		0.2%	1.6%	1.0%	0.0%

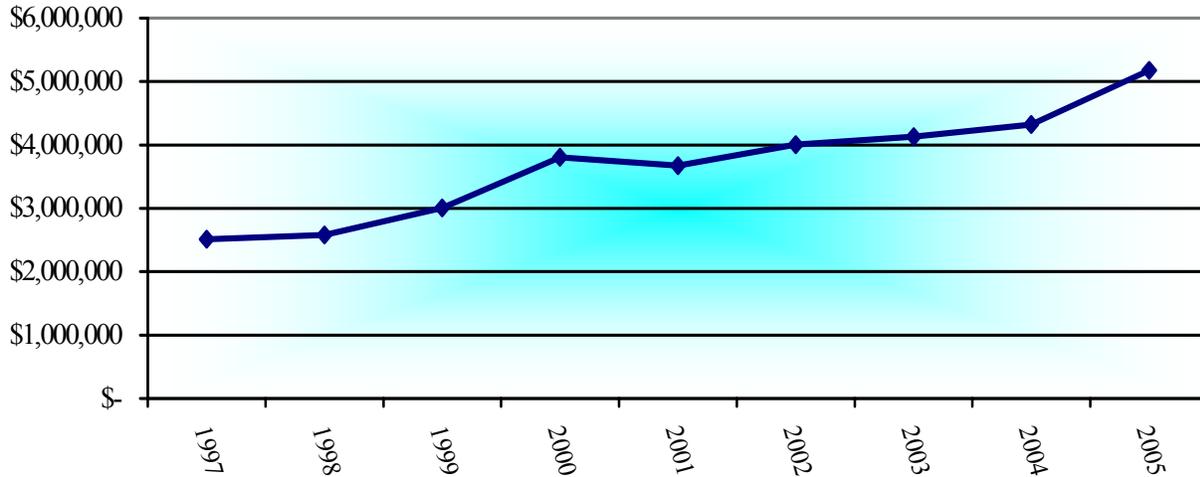
Indicator Description

This table shows the assessed value of both real and personal property in the City for the past four years and compares the grand list growth back to 1995. A citywide reappraisal was completed in 1995, the base year for calculating the percentage increase for the data above. At that time, the appraised value of real property was \$1,546,650,600 and personal property was valued at \$102,397,200 for a total value of \$1,649,047,800. (Note: On commercial value, there is a 20% tax classification increase in the assessed value, not included here). This indicator is the basis upon which property taxes are assessed.

Trend Analysis

During this time period (1995 – 2004), overall property values have increased by 8.5% or by slightly over 0.9% per year. However, market values have increased significantly in the past five years, a fact that is not represented in this data. A citywide reappraisal began at the end of FY 2004 and will be completed in FY 2005. This will bring the City's values in line with the current market value.

Citywide Health Benefits



Indicator Description

This chart shows the Citywide total for employee health benefits expenditures since 1997. The amount shown above for 2005 is the budgeted amount while the numbers listed for 1997 – 2002 are the actual amounts expended. Several health plans were available during the period. However, for FY 2003 and years following, all employees are covered under the Blue Cross/Blue Shield Freedom Plan.

Trend Analysis

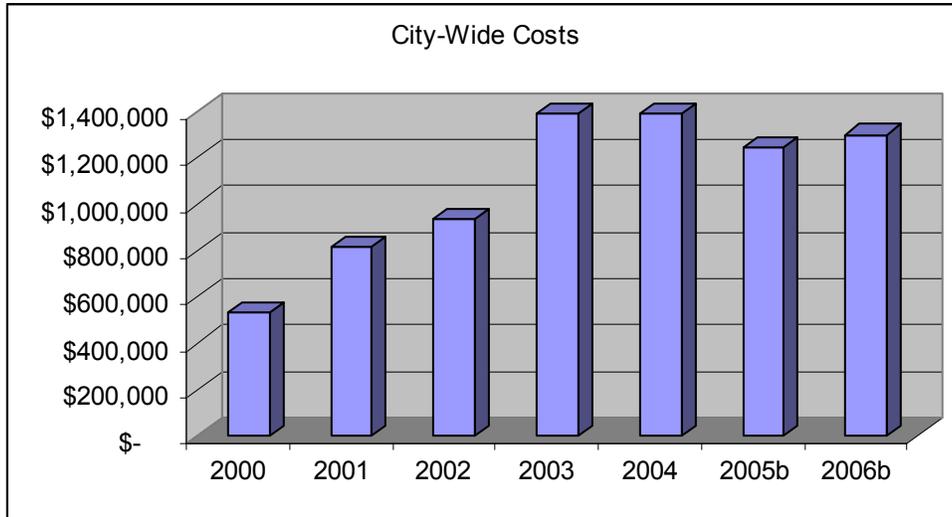
The total expense by fiscal year is shown below:

1997	\$2,510,500	2002	\$4,006,058
1998	\$2,578,048	2003	\$4,129,688
1999	\$3,044,021	2004	\$4,295,507
2000	\$3,803,464	2005	\$5,175,000
2001	\$3,670,756	2006	\$6,000,000 budget

As shown in these amounts, the costs of health coverage for City employees increased dramatically in 2000. In fiscal year 2001, the City took some major steps to reduce this trend of rising health costs. Total expenditures decreased by \$132,708 in FY 2001. While overall costs are now rising steadily, the effects of this increase have been neutralized somewhat by the change in the rate charged to employees (2% of base salary) and a change in the amount of co payments and deductibles specified in this plan.

In the FY 2004 budget, the total costs had been projected to rise by about 11%. However, the experience of City employees indicates that costs increased by only 4.7%. In FY 2005, there is a significant budget increase expected. This is slightly below the trend for other municipalities and school districts in this region. In FY 2006, there is another large increase projected as health costs approach \$6,000,000.

Worker's Compensation Costs



Indicator Description

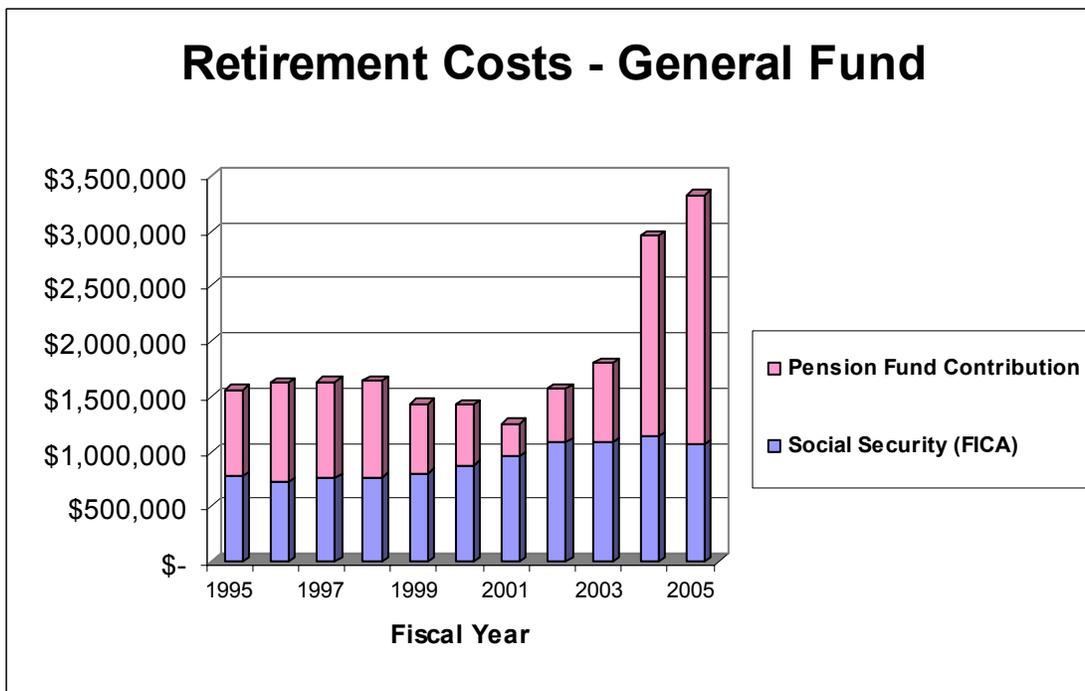
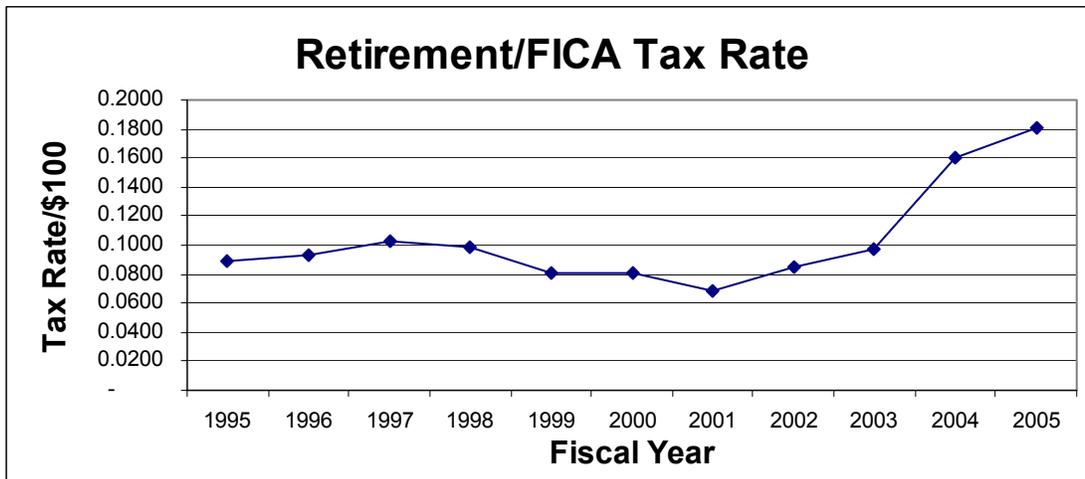
This chart shows the Citywide total for employer cost of worker's compensation benefit expenditures since 2000. The amounts shown above for 2005 and 2006 are the budgeted amounts while the numbers listed for 2000 – 2004 are the actual amounts expended.

Trend Analysis

Worker's compensation costs have increased from \$530,000 in FY 2000 to \$1,403,430 in FY 2004. This is a very significant increase. The City is covered

under an agreement with the Vermont League of Cities and Towns (VLCT) for property, liability, and worker's compensation coverage. The VLCT is a risk pool set up to provide administrative costs for the City and is responsible for approval, processing and payment of claims, after which, they bill the City. Costs have been increasing due to the overall general rise in health care costs as well as more liberal settlements being provided under this coverage. The budget for Workers' compensation costs includes \$1,300,000 in FY 2006, an increase of 4.4% over the amount budgeted last year.

Retirement (Pension) Tax Rate



Indicator Description

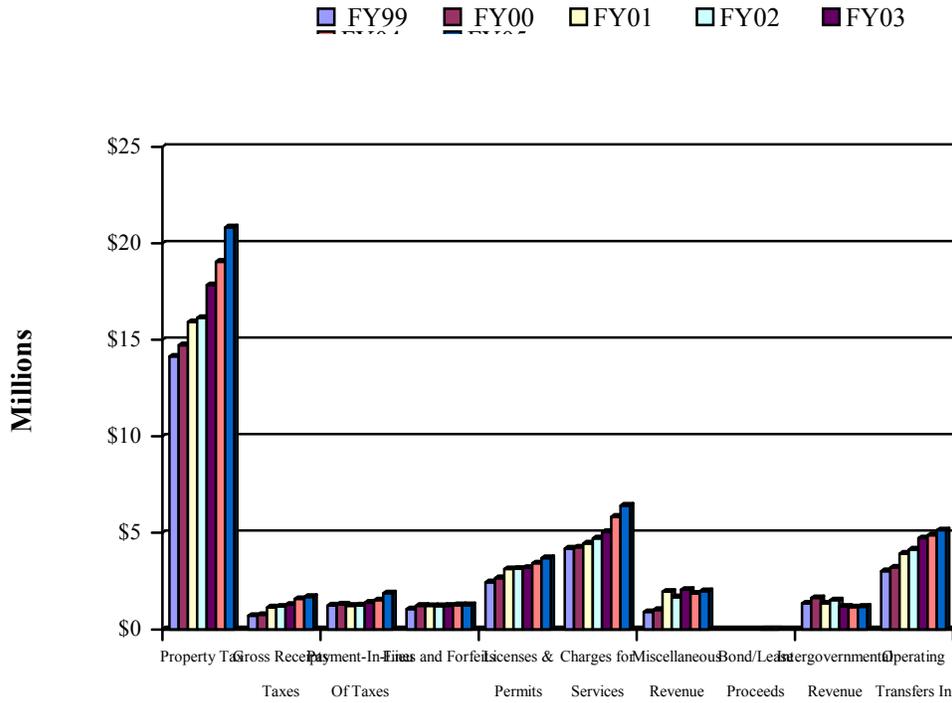
These charts show the General Fund cost to provide funding in the pension fund for General Fund employees. These costs are funded by means of a dedicated tax. The tax rate increased significantly in the FY 2005 budget to about eighteen cents per

hundred dollars of value. The Retirement costs in the General Fund are estimated to be \$3,900,000 in the fiscal year 2006 budget.

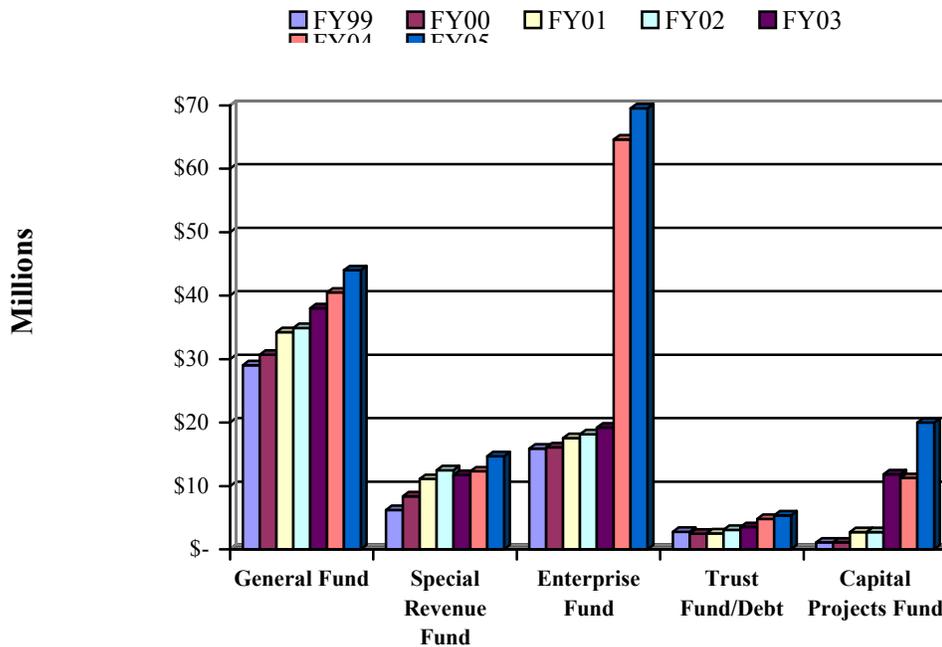
Revenue History FY2001 - FY2005 ALL FUNDS

CATEGORY	FY2001	FY2002	FY2003	FY2004	FY2005
General Fund					
Property Tax	15,923,520	16,140,600	17,834,960	19,046,340	20,826,170
Gross Receipts Taxes	1,130,000	1,175,000	1,275,000	1,570,000	1,675,000
Payment-In-Lieu Of Taxes	1,218,790	1,229,350	1,384,900	1,503,410	1,866,580
Sub-Total	18,272,310	18,544,950	20,494,860	22,119,750	24,367,750
Fines and Forfeits	1,210,000	1,202,000	1,213,000	1,248,000	1,248,000
Licenses & Permits	3,118,930	3,139,730	3,186,260	3,416,180	3,694,090
Charges for Services	4,447,740	4,715,160	5,045,220	5,831,950	6,410,660
Miscellaneous Revenue	1,951,560	1,659,650	2,050,980	1,852,430	1,970,740
Bond/Lease Proceeds	-	-	-	-	-
Intergovernmental Revenue	1,340,000	1,505,310	1,138,860	1,141,360	1,167,620
Operating Transfers In	3,923,510	4,135,000	4,724,180	4,881,550	5,137,260
Sub-Total	15,991,740	16,356,850	17,358,500	18,371,470	19,628,370
Carryovers	-	-	100,000	-	-
Sub-Total	34,264,050	34,901,800	37,953,360	40,491,220	43,996,120
Special Revenue Funds					
CEDO	6,318,580	7,519,990	6,620,640	6,682,040	8,099,510
Housing Trust Fund	177,900	183,750	184,000	184,000	186,000
DPW Traffic	4,232,780	4,421,100	4,534,070	4,807,960	5,765,330
Church Street Marketplace	567,470	537,560	595,540	642,930	661,780
Sub-Total	11,296,730	12,662,400	11,934,250	12,316,930	14,712,620
Enterprise Funds					
DPW - Water Division	4,551,120	4,595,340	4,605,390	4,657,180	4,895,310
DPW - Wastewater	5,380,440	5,479,600	5,551,480	5,574,560	5,840,040
Burlington Electric	na	na	na	44,600,000	47,252,000
Airport	7,622,880	8,075,000	9,053,460	9,786,400	11,556,500
Sub-Total	17,554,440	18,149,940	19,210,330	64,618,140	69,543,850
Trust Fund/Debt					
Retirement	2,335,100	2,868,910	3,319,690	4,825,150	5,361,360
Sub-Total	2,335,100	2,868,910	3,319,690	4,825,150	5,361,360
Capital Projects Funds					
Champlain Parkway	855,430	375,000	800,000	800,000	1,250,000
Other Projects	1,877,570	2,326,400	11,044,960	10,460,000	18,731,230
Sub-Total	2,733,000	2,701,400	11,844,960	11,260,000	19,981,230
CITY TOTAL	68,183,320	71,284,450	84,262,590	133,511,440	153,595,180

Revenue History: General Fund



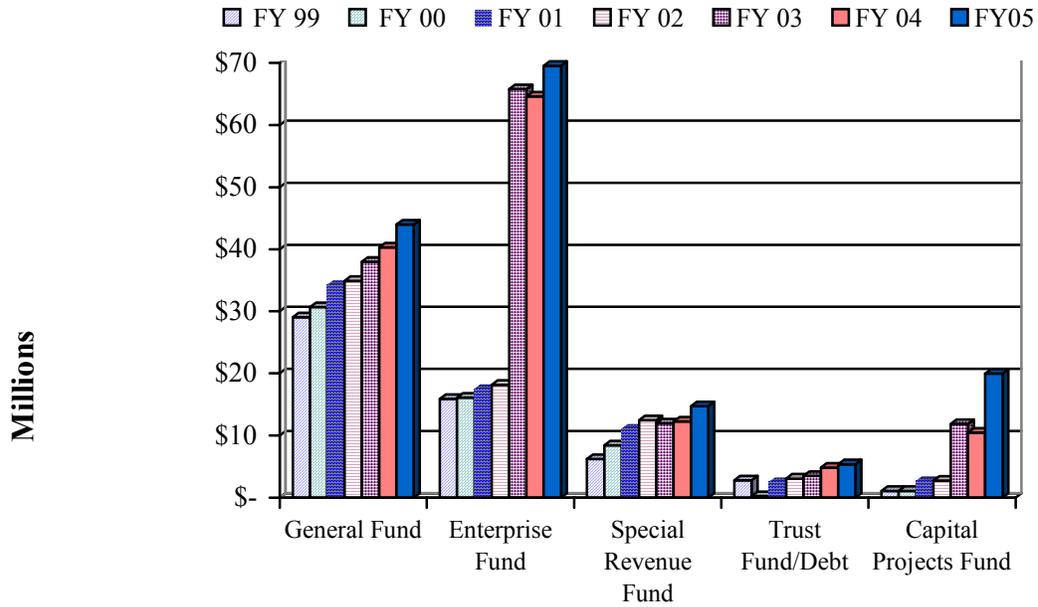
Revenue History: All Funds



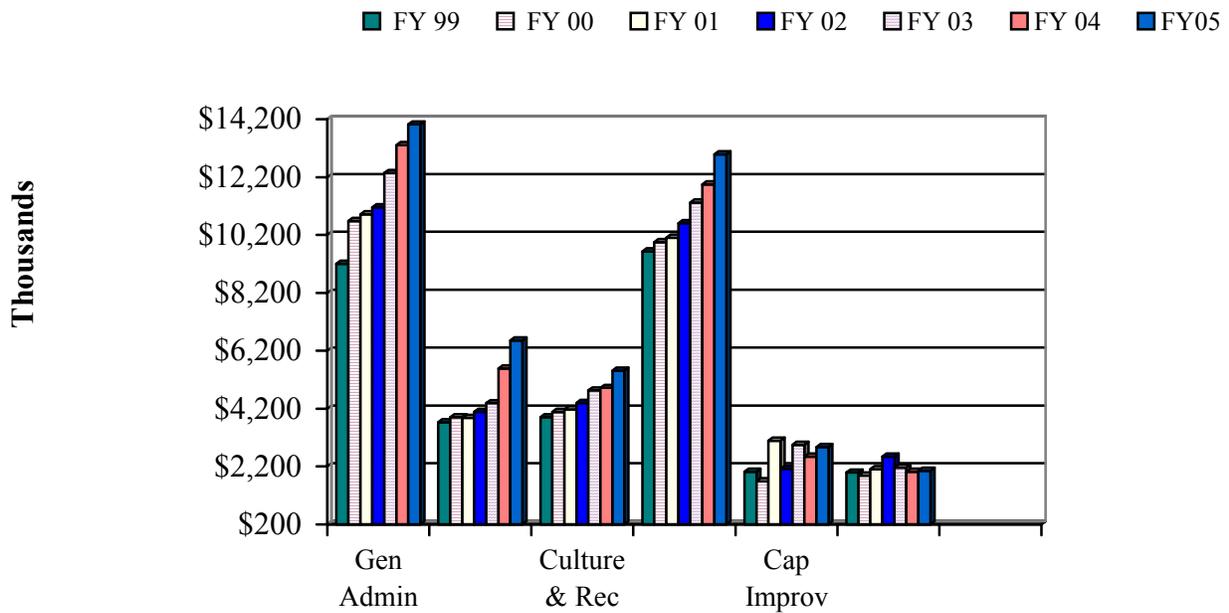
EXPENDITURE HISTORY: ALL FUNDS FY2001 - FY2005

CATEGORY	FY2001	FY2002	FY2003	FY2004	FY2005
General Fund					
General Administration					
Administrative Departments	\$ 2,427,380	2,495,640	2,849,620	2,821,350	3,025,900
Administrative Expense	7,191,480	7,395,470	8,097,270	9,016,020	9,511,580
Governmental Expense	1,293,440	1,266,200	1,399,330	1,446,230	1,484,930
Operating Transfers Out	3,876,900	4,084,220	4,389,240	5,586,190	6,550,690
Sub-Total	14,789,200	15,241,530	16,735,460	18,869,790	20,573,100
Safety Services					
Fire & Ambulance Billing	3,341,730	3,475,570	3,953,075	4,063,530	4,213,700
Police	6,048,470	6,178,530	6,586,370	6,991,370	7,684,880
Inspection & Code Enforcement	519,520	710,160	735,240	785,660	933,360
Safety Services - Other	196,540	242,600	42,620	42,620	159,610
Sub-Total	10,106,260	10,606,860	11,317,305	11,883,180	12,991,550
Cultural & Recreation					
Concert Band & Women's Program	29,700	36,500	34,000	32,980	32,980
Library	895,620	938,350	970,550	964,170	1,042,730
Parks & Recreation	2,587,180	2,803,970	3,078,050	3,073,030	3,607,780
City Arts	664,280	616,550	745,840	845,540	831,110
Sub-Total	4,176,780	4,395,370	4,828,440	4,915,720	5,514,600
Public Works					
Public Buildings Maintenance	478,530	469,920	508,130	412,910	557,970
Department of Public Works	1,469,900	1,473,700	1,467,835	1,404,980	1,280,790
Cemetery	153,310	173,720	184,010	200,020	209,460
Sub-Total	2,101,740	2,117,340	2,159,975	2,017,910	2,048,220
Capital Improvements - General	3,090,070	2,540,700	2,950,800	2,542,430	2,868,650
Total General Fund	34,264,050	34,901,800	37,991,980	40,229,030	43,996,120
Special Revenue Funds					
CEDO	6,318,580	7,519,990	6,620,640	6,682,040	8,099,510
Housing Trust Fund	177,900	183,750	184,000	184,000	186,000
DPW Traffic	4,232,780	4,421,100	4,534,070	4,752,960	5,765,330
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DPW - Water Division	4,551,120	4,595,340	4,605,390	4,657,180	4,895,310
DPW - Wastewater	5,380,440	5,479,600	5,551,480	5,574,560	5,840,040
Burlington Electric	na	na	46,600,000	44,600,000	47,252,000
Airport	7,622,880	8,075,000	9,053,460	9,786,400	11,556,500
Sub-Total	\$ 17,554,440	\$ 18,149,940	\$ 65,810,330	\$ 64,618,140	\$ 69,543,850
Trust Fund/Debt - Retirement					
	2,335,100	2,868,910	3,319,690	4,825,150	5,361,360
Sub-Total	\$ 2,335,100	\$ 2,868,910	\$ 3,319,690	\$ 4,825,150	\$ 5,361,360
Capital Projects Funds					
Champlain Parkway	855,430	375,000	800,000	800,000	1,250,000
Other Projects	1,877,570	2,326,400	11,044,960	10,460,000	18,731,230
Sub-Total	2,733,000	2,701,400	11,844,960	11,260,000	19,981,230
CITY TOTAL	\$ 68,183,320	\$ 71,284,450	\$ 130,901,210	\$ 133,194,250	\$ 153,595,180

Expense History: All Funds (1999 – 2005)



Expense History: General Fund (1999 – 2005)



Property Tax Rates

Fiscal Years 1999 – 2005

	1999	2000	2001	2002	2003	2004	2005
General City	0.3838	0.3838	0.3838	0.3838	0.3838	0.3838	0.3888
Highway	0.0262	0.0262	0.0262	0.0262	0.0262	0.0262	0.0312
Police & Fire	0.0742	0.0742	0.0742	0.0742	0.1242	0.1242	0.1492
Parks	0.0100	0.0200	0.0200	0.0200	0.0200	0.0200	0.0250
Street	0.0271	0.0271	0.0771	0.0771	0.0771	0.0771	0.0771
CCTA	0.0501	0.0501	0.0536	0.0504	0.0536	0.0536	0.0546
County Tax	0.0061	0.0072	0.0070	0.0067	0.0073	0.0100	0.0090
Retirement	0.0808	0.0808	0.0689	0.0856	0.0978	0.1603	0.1803
Debt Service	0.1161	0.1131	0.1202	0.1116	0.1137	0.1164	0.1264
Library Tax	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Housing Trust	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Insurance Settlement	-	0.0200	-	-	-	-	-
City Total	0.7994	0.8175	0.8460	0.8506	0.9187	0.9866	1.0566
School - One rate	1.2255	1.3939	1.4723	1.5567	1.6287	1.7609	
School Residential *							1.6596
School Non-residential *							2.2784
Combined Total	2.0249	2.2114	0.8460	0.8506	2.5474	2.7475	N/A

* In 2005, there are two rates for the Statewide School tax based upon category of property.

DOWNTOWN IMPROVEMENT DISTRICT - Two hour free parking rate is .1200 for each year.

Utility Rates

FISCAL YEARS 1999 - 2005

<u>Rates</u>	<u>Unit</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Water	per 100 cu.ft	\$ 2.49	\$ 2.49	\$ 2.49	\$ 2.49	\$ 2.49	\$ 2.49	\$ 2.68
Wastewater	per 100 cu.ft	\$ 3.07	\$ 3.07	\$ 3.07	\$ 3.07	\$ 3.07	\$ 3.07	\$ 3.24
Electric	per kw hour	\$ 0.0095	\$ 0.0095	\$ 0.0095	\$ 0.0095	\$ 0.0095	\$ 0.1020	\$ 0.1020